Private
And
Commercial
Earth Stations



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INSIDE SPACE

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INSIDE SPACE

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CONGRESSIONAL MATTERS

The Waxman Bill

Hearings on the Waxman Bill have been rescheduled for November 17, 1981, at 1:30 P.M. The House Telecommunications Subcommittee is holding the hearings. There will most likely be a representative from the subscription television, MDS, motion picture and program packaging (HBO/Showtime) industries. In addition, a representative from Oak Industries is being sought to testify on the feasibility of scrambling. It is likely that Jack Valenti will testify for the Motion Picture Association of America, but other witnesses have not yet been set. The structure of the hearings is also up in the air.

SPACE was active this week with the House Telecommunications Subcommittee. Of necessity, we cannot report on the substance of each and every conversation. A considerable effort is being mounted and we are making some progress. There is some sentiment on the part of a few to exempt backyard owners from the Waxman Bill's provisions - if the signal is not scrambled, if an offer for payment is made and refused, and if the signal cannot "otherwise" be received.

While this is a better position than what we started with, there is still a long way to go.

SPACE PIONEERS

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BIRDVIEW SATELLITE COMM., INC. Charles A. (Bud) Ross (316) 431-0400

CHANNEL MASTER (Div. of Avnet, Inc.) Richard Deutsch (914) 647-5000

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SAT-TEC SYSTEMS John G. Ramsey (716) 586-3950

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SATELLITE SUPPLIES, INC. Robert Bendorf (408) 370-1515

SATELLITE TECHNOLOGY SVCS., INC. James Rothbarth (314) 569-3720

SATELLITE TELEVISION TECHNOLOGY INTERNATIONAL, INC. Rick Schneringer (405) 396-2574



C-Span

We spoke this week with Brian Lamb, the head of C-Span. Mr. Lamb indicated that C-Span's policy had recently been changed, but had not yet been put into writing. He indicated that C-Span intended to charge any entity a minimum of \$5.00 per month for viewing the proceedings of the House of Representatives and the additional programming that C-Span has produced. We pointed out the discriminatory effect that such a rate has on backyard satellite owners as compared with cable television subscribers.

Mr. Lamb repeatedly indicated that he had no intent to pursue backyard owners who watched the C-Span programming. He indicated, unofficially, that he welcomed and encouraged such viewing. Mr. Lamb's bread and butter is, however, the major cable television operators, HBO, Showtime and Warner. He was quite concerned with the growing carriage of C-Span by various television stations which are in turn carried on cable systems. According to Mr. Lamb, the result of this trend has been that carriage of C-Span on cable systems has been dropping. This trend has been exacerbated by the number of cable systems which are "saturated" and are forced to drop C-Span in order to provide a more profitable service. He also indicated that the recent increase in fees charged to cable systems (from \$.01 to \$.03 per subscriber) has caused some of the major system operators to re-evaluate continued carriage of the C-Span programming. He indicated that he was very sensitive to the concerns of the major cable television operators. In spite of this fact, he expressed a willingness to discuss further some method of reduced payment for backyard earth station reception of C-Span.

As reported last week, Mr. Lamb is in a fight over access to C-Span with Congressman Charlie Rose, who has been very helpful to the TVRO industry. We have provided the Congressman with copies of all "refusal to deal" letters. We are also attempting to mediate the dispute in such a manner that its resolution will have precedential value to SPACE in its dealings with the other satellite suppliers.

THE FCC Orbital Spacing

Release of the FCC's <u>Notice</u> requesting comment on reduced orbital spacing has again been postponed. The document has not yet been circulated within the Commission, and its release appears to be as much as several weeks away. This delay arises from limited time and resources rather than substantive difficulties.

Testimony on the Waxman Bill

While the FCC is not presently scheduled to testify on the Waxman Bill, its views have been sought by the Subcommittee. As you know, three years ago the Commission took a formal position that Section 605 applies to protect existing satellite transmissions against unauthorized interception. This makes our task much more difficult. There appears to be great sympathy on the part of the Commission and staff to the issues of signal piracy, and there is support for the Bill. (Some indication of the views on satellite reception may be seen by the enclosed statements attributed to the FCC's newest Commissioner, Henry Rivera.) We have identified and nurtured a significant minority view that the FCC should only help those who help themselves. In other words, if the suppliers of subscription services want protection, they should scramble their signals. At this stage, there is no support for forcing subscription services which are scrambled to sell their programming to backyard earth station owners. A considerable effort is required to get the FCC to modify its existing position. We are working closely with those who are drafting the FCC's comments on the Waxman Bill.

DEALER MEMBERSHIP

The new division - DEALER membership - has been approved by the Board of Directors at a \$300.00 per year membership rate. PIONEERS and Directors are encouraged to have their dealers become members of this new category. As part of the initial issue of **SATVISION** (the monthly Newsletter for DEALERS), as well as subsequent ones, we propose to conduct in-depth marketing interviews with national manufacturers and distributors. Volunteers are welcomed. You will be included in the order in which we hear from you.

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MICHIGAN LEGISLATION AGAINST UNAUTHORIZED INTERCEPTION OF SUBSCRIPTION PROGRAMMING

A copy of the legislation introduced in Michigan against the unauthorized interception of subscription programming is included in this week's issue of INSIDE SPACE, along with a letter which was sent to the Chairman of the Committee from Rick Brown and Fred Finn. If you have any dealers in Michigan, they should be alerted to the presence of this legislation.

ROHNER RESPONSE

As many of you know, John P. Rohner has made a variety of accusations toward SPACE and its Directors and Officers. Enclosed in this issue of **Inside SPACE** is the response being sent to Rohner by Tom Humphries.

ANAHEIM SHOW

Pioneer/Director Jim Rothbarth has suggested that the SPACE booth at the upcoming Anaheim Show contain both a backdrop and a hand-out listing the PIONEERS and identifying them as the "movers and shakers" in the earth station industry. We think this is a great idea. Any comments you have would be welcomed.

Society for Private And Commercial Earth Stations



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Mr. John P. Rohner J.P. Rohner & Associates 501 North Elm West Liberty, Iowa 52776

Dear Mr. Rohner:

We have received correspondence from you concerning your request for a refund of membership dues paid to SPACE over six months ago. I have discussed this matter with the Chairman of the Board and our General Counsel, and all of us are agreed that the policy of SPACE does not permit refunds. As I am certain you are aware, the laws of the District of Columbia do not require the return of your membership fees.

Despite the fact that SPACE, by law, is not required to refund your membership and as a policy does not refund membership fees, special consideration was given to the circumstances surrounding your request for a refund.

It appears that you joined SPACE in July of 1980 at the San Jose trade show and upgraded your membership to Sustaining in November of 1980. At that time, you expressed to our General Counsel that based on information in a magazine printed by Robert Cooper, Jr., you believed joining SPACE as a Sustaining member would entitle you to a seat on the Board of Directors. Our General Counsel plainly indicated to you that you were misinformed and that joining SPACE as a Sustaining member would not in any way guarantee you a seat on the Board of Directors, but would make you eligible to run for the Sustaining member seat on the Board. Your erroneous premise having been corrected, you still chose to join SPACE as a Sustaining member. You have received all membership benefits, including newsletters which you utilize commercially by way of reference in your own publication. Nevertheless, after supporting SPACE and making possible the work SPACE has done, you have chosen to issue libelous statements about SPACE and its Directors and Officers.

On the matter of your libelous statements in your August/September 1981 publication, we provide you with the following information so that you have an opportunity to provide your readership with correct information about SPACE.

The first erroneous implication in your publication occurs on page three, where you imply that SPACE is "another of Bob Cooper's enterprising fronts." For your edification, Bob Cooper is one of 15 directors on the Board of SPACE. The others include:

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> Robert Behar Robert Coleman R. Andrew Hatfield L. Russell Keene, II John Ramsey James Rothbarth Clyde Washburn

Don Berg Royden R. Freeland, Jr. Taylor Howard Bruce Lemoine Charles (Bud) Ross Horton Townes Ralph Payne

Mr. Cooper does not control SPACE to any greater degree than any one of the Directors listed above. SPACE has a Board composed of 15 Directors in order that no particular individual or company is able to unduly influence the Association. We are certain that as a Board member of an organization which you formed in Kansas City, you saw to it that your Board had a sufficient number of Directors to prevent any one individual from using your organization to achieve personal goals: six directors, including yourself, sit on the Board of your organization. As one out of 15 Board members, Robert Cooper exercises far less control over SPACE than you do over your own organization. Because SPACE has taken the effort to disperse the Association's control amongst more than twice as many individuals as your own organization, your argument that SPACE is controlled by Bob Cooper is on its face disingenuous. We can only conclude that your empty accusation on this issue is prompted by some personal problem between yourself and Bob Cooper.

Further, you state that SPACE has not complied with your requests for a financial accounting. If you have read the By-Laws of the Association, you are aware that you personally are not accorded access to this confidential information. Financial information is made available to the Board of Directors who periodically review it and verify in the minutes of the Board meetings that the information meets with their approval. These minutes are made available to all SPACE members who can read for themselves that the Board has approved the financial status of the Association. None of the Board members have expressed a belief in the rumor you seek to circulate: that "the money is not going where it should." The Board is composed of elected individuals, representing many of the largest and most respected companies in the earth station industry and it has approved SPACE's financial expenditures and has reviewed its tax return, which was prepared by certified public accountants. This review and approval procedure safeguards the integrity of the Association. As a matter of policy, SPACE's financial records are not widely circulated because it is not wise to permit our adversaries access to information about our budget.

Further, you imply that SPACE did not file an Opposition in the Teleprompter/Westinghouse matter because you saw no mention of such a filing in the some 25 trade magazines you receive. You apparently do not receive the leading trade magazines in the communications field, such as Broadcasting and Multi-Channel News. Enclosed are articles from leading trade magazines, which we receive (including Broadcasting and Multichannel) covering, in depth, SPACE's activities.

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Mr. Rohner, you are displaying animosity for this Association for reasons that are not understandable. Yet, we have taken the time to respond to you. Your writings are libelous and this could endanger you, your business, and your Board of Directors (to whom we have mailed a copy of this letter). We do not desire to bring any legal action against you or your organization. Both SPACE and your organization have far more important and productive issues to resolve. We do not understand why you would expose yourself, your organization or your fellow Board members to such action through irresponsible statements in your publication. However, that is your decision and if it continues to be your intention to libel SPACE in your publication, then SPACE will respond accordingly.

In a constructive vein, we invite you to work with SPACE and encourage you to put your personal feelings aside for the good of the industry. The 15 responsible and knowledgeable Board members guiding SPACE assure its integrity and its effectiveness. Why don't you join with us instead of trying to sow internal dissension? United, this industry can efficiently and effectively accomplish its goals. Factionalization only makes it more difficult to accomplish the goals which benefit the entire industry. Why don't you work with us and put your energies into consolidating this industry's strength instead of attempting to diminish its effectiveness?

Yours truly,

Tom Humphries President, SPACE

TH:db Enclosures: Articles

cc: David Yanko
Bob Luly
Hayden McCollugh
George Santero
Steven Reed